

FY2014 BUDGET PRESENTATION

May 21, 2013



John McDonough City Manager



FY14 Budget Calendar

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March – April

Departmental Budget Hearings/Finance Review Phase

April – May

Senior Management/Mayor Review Phase

April 30

Budget Workshop #1

May 7

Budget Workshop #2

May 21

City Council Budget Presentation (Proposed Budget)

June 4

1st Public Hearing on FY14 Budget and Discussion

June 18

Final Public Hearing and Adoption by City Council

Budget Principles

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- Conservatively determine revenue and expenses.
 - Solid estimating effectively neutralizes pressures to inflate revenue estimates to cope with budgeting pressures.
- Do not use one-time revenue sources for ongoing expenses.
 - When a non-recurring source of revenue is used to fund an ongoing expense, an "automatic unfunded increase" is built into the budget for the following year.

Adopted Priorities

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FY14 General Fund Budget

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| | |
|--------------|--------------|
| Revenues | \$87,853,342 |
| Expenditures | \$87,853,342 |
| Total | \$ 0 |

Total Budget for all funds = \$189,384,334

FY14 Budget Highlights - Operating

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- Decline in revenues (property tax and franchise fees) - **-\$2,446,103 (-3.10%)**
- Fixed Cost of General Government Services Contracts - \$13,166,230.34 (5.67%)
- Renewal of subcontractor agreements - \$5,570,000 (4.29%)
- Continued funding for Police Fleet Replacement Program - \$808,800
- Vehicle Acquisition Costs - \$145,000 (4 Fire)
- Funding for Elections - \$375,000
- Continued funding for Community Events/Non-profits - \$280,000
- Financing for Fire Department Fleet Replacement - \$775,000
- E-911 Center operation - \$900,000
- Continued EMS subsidy for enhanced service - \$450,000
- Buy down and Debt Service for Storage Facility - \$309,710

FY14 Budget Highlights - Capital

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- Continued funding for City Center Phase I Priority Projects - \$13,500,000
- Continued funding for Stormwater Infrastructure Improvements - \$1,600,000
- Funding for Public Safety Radio System - \$1,250,000
- Purchase of Fire Station #4 from City of Atlanta - \$1,250,000
- Continued funding for Chattahoochee Pedestrian Bridge Project - \$400,000
- Renovations for Storage Facility Lease/Purchase - \$300,000
- Transfer of funds from Morgan Falls River Park – (\$255,823)
- Continue Citywide Gateway Beautification - \$250,000
- Continued funding to complete HAWK Program - \$230,000
- Additional funding for Riverside Drive slope repair - \$200,000
- Continued funding for CIP-T/P/F programs - \$5,054,882

City Center Phase I Funding Plan

FY14 Recommended Allocation

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| Project | Allocated Funding | Additional Funding Needed | Proposed FY14 |
|--------------------------------------------------|---------------------|---------------------------|---------------------|
| Land Acquisition | \$15,555,672 | \$10,000,000 | \$3,500,000 |
| City Center Parking Study | 75,000 | 0 | 0 |
| Professional Services | 212,593 | 3,787,407 | 500,000 |
| Mt. Vernon Highway and Blue Stone Road Extension | 3,825,000 | 5,770,000 | 3,825,000 |
| Civic Center Infrastructure and Green | 0 | 11,292,500 | 3,172,009 |
| Utilities Program Management Design | 600,000 | 0 | 0 |
| Utilities Relocation (next 5 years) | 1,000,000 | 4,530,000 | 0 |
| Marsh Creek Headwaters BMP | 1,381,709 | 1,602,991 | 1,602,991 |
| Structured Parking | 0 | 12,500,000 | 0 |
| Civic Center Facility | 0 | TBD | 0 |
| T-0014/0015 Sandy Springs Circle Phase I | 0 | 1,400,000 | 1,400,000 |
| T-0014/0015 Sandy Springs Circle Phase II | 2,989,498 | 3,198,502 | 0 |
| Heritage Playground | 0 | 4,400,000 | 0 |
| TOTAL | \$25,639,472 | \$58,481,400 | \$13,500,000 |

Fund Balance Reserve

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- Adopted as part of the approved Budgetary Policy
- Fund Balance is the cash reserve and working capital to cover the following:
 - Expenditures caused by unforeseen emergencies
 - Shortfalls caused by revenue decline
 - Eliminate short-term borrowing for cash flow purposes
 - Reserve policy calls for no less than three (3) months of operating and debt expenditures (25%)

Projected Undesignated Fund Balance

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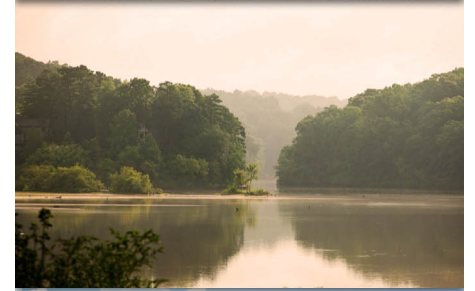
| | |
|-----------------------------------------------------------------|---------------------|
| June 30, 2012 General Fund Balance | \$ 33,109,813 |
| Add: FY13 Projected Revenues | 83,033,223 |
| Less: FY13 Projected Expenditures | 88,876,813 |
| Subtotal | 27,266,222 |
| Less: Fund Balance Reserve | (20,000,000) |
| YEAR END ESTIMATED UNDESIGNATED GENERAL FUND BALANCE | \$ 7,266,222 |

Revenue FY2013 vs. FY2014

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| | 2013 Projected | 2014 Budget | Variance |
|----------------------------------------|---------------------------|------------------------|----------------------|
| Property Taxes | 28,697,589 | 28,250,000 | (447,589) |
| Sales Tax | 23,736,636 | 23,470,000 | (266,636) |
| Business & Occupational Tax | 8,500,000 | 8,250,000 | (250,000) |
| Franchise Fees | 9,147,092 | 9,075,000 | (72,092) |
| Insurance Premium Taxes | 4,675,766 | 4,300,000 | (375,766) |
| Other Revenues | 8,276,138 | 7,242,120 | (1,034,018) |
| Total Revenues | \$83,033,223 | \$80,587,120 | (\$2,446,103) |

SERVICE ENHANCEMENTS



FY14 Enhancements



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- Vehicle replacement for 18 vehicles
 - Includes Laptop refresh
 - LP Gas Conversion Cost

FY14 Enhancements



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- Auto Extrication Tools (Jaws of Life) Replacement
 - Current tools older, worn, non-compliant
- Replacement of 4 Staff Vehicles
 - High mileage, six plus years of use
- Upgrading Firefighter Gear
 - Continued annual replacement program
- Fire Station 4 renovations
 - Planned upgrades pending procurement
- New Fire Apparatus
 - Replacing our current fleet

Information Services

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- Technology upgrades:
 - Capital computer and infrastructure update and replacements (140 new computers)
- .5 FTE Security Engineer
- GIS Software Update

Call Center

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- Amount is for six months
- Issue Task Order-based RFP to compete service

Community Development

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- Customer Service Enhancements
 - Building Inspector (.21 FTE to .8 FTE)
 - Land Development Inspector (.8 FTE to 1 FTE)
 - Landscape Architect (.6 FTE to 1 FTE)
 - Planning Technician Position (0 to 1.0 FTE)
- PermitGo! Software Upgrade
- Electronic Plan Submission

Public Works and Facilities

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- Add 0.5 FTE Engineering Support
- HVAC and Building Maintenance Repairs
- Storage Facility

Expenditures FY2013 vs. FY2014

| | 2013 Projected | 2013 Budget | 2014 Budget* | Variance |
|----------------------------|---------------------|---------------------|---------------------|---------------|
| City Council | 158,982 | 158,691 | 188,061 | 18.51% |
| City Manager | 711,799 | 808,307 | 772,151 | -4.47% |
| City Clerk | 130,711 | 181,859 | 569,016 | 212.89% |
| Finance | 2,095,985 | 2,198,684 | 2,232,615 | 1.54% |
| City Attorney | 1,308,000 | 1,308,000 | 808,000 | -38.23% |
| Information Services | 1,556,581 | 1,691,215 | 2,088,479 | 23.49% |
| Human Resources | 225,799 | 358,987 | 295,407 | -17.71% |
| Facilities Management | 1,271,649 | 1,332,682 | 1,591,410 | 19.41% |
| Communications | 1,387,879 | 1,600,436 | 1,537,556 | -3.93% |
| General Administration | 4,218,381 | 4,678,526 | 2,492,668 | -46.72% |
| Municipal Court | 1,630,655 | 1,665,585 | 1,668,649 | 0.18% |
| Police | 17,102,079 | 19,084,302 | 18,654,539 | -2.25% |
| Fire | 10,153,792 | 10,918,295 | 11,726,355 | 7.40% |
| Emergency Management | 1,319,059 | 1,553,700 | 1,752,339 | 12.78% |
| Public Works | 9,958,490 | 10,084,605 | 10,717,049 | 6.27% |
| Recreation and Parks | 2,596,340 | 2,999,742 | 3,230,521 | 7.69% |
| Community Development | 3,575,643 | 3,632,688 | 3,424,034 | -5.74% |
| Economic Development | - | - | 265,935 | 100.00% |
| Transfers to Other Funds | 29,474,991 | 29,366,822 | 23,838,559 | -18.82% |
| Total General Fund: | \$88,876,813 | \$93,623,126 | \$87,853,342 | -6.16% |

*Projections only.

Task Order Analysis

| Firm/Work Package | NTE Escalator | Actual Escalator | FY13 Amount | FY14 Amount | Difference |
|-----------------------------------------|---------------|------------------|------------------------|------------------------|--------------|
| Finance/ST Services | 2.50% | 2.50% | \$1,633,011.00 | \$1,673,836.00 | 2.50% |
| Information Services/ InterDev | 5.25% | 3.50% | 1,176,537.49 | 1,315,828.80 | 11.84% |
| Communications/ Collaborative | 2.20% | 2.20% | 502,200.00 | 513,249.00 | 2.20% |
| Municipal Court/Jacobs | 3.00% | 1.00% | 1,082,368.00 | 1,093,219.00 | 1.0% |
| Call Center/CH2MHill | n/a | 3.50% | 792,036.00 | 819,756.26* | 3.50% |
| Public Works/URS | 4.00% | 3.50% | 3,318,265.00 | 3,514,549.00 | 5.52% |
| Recreation/Jacobs | 3.00% | 1.00% | 1,023,571.00 | 1,033,822.00 | 1.00% |
| Community Development/ Collaborative | 2.20% | 2.20% | 2,931,420.60 | 3,201,969.00 | 9.23% |
| | Total | 3.14% | \$12,459,409.09 | \$13,166,230.34 | 5.67% |

*12 month projection; issuing 6 month Task Order for \$409,879

General Fund Expenditures – Contingency Detail

| Description | 2014 Budget |
|--------------------------|-------------|
| Fire Department | 200,000 |
| Police Department | 200,000 |
| Recreation | 50,000 |
| City Manager Contingency | 150,000 |
| General Contingency | 300,000 |
| Grand Total | \$900,000 |

FY14 Capital Priority Projects

| | |
|------------------------------------------------------------------|--------------------|
| Pavement Management/Resurfacing | \$3,000,000 |
| Traffic Management Center | 350,000 |
| Abernathy Greenway Park | 750,000 |
| Intersection Improvement Program | 300,000 |
| Abernathy/Johnson Ferry Roadway Improvements | 500,000 |
| Bridge and Dam Improvement Program (Ped Bridge on Dunwoody Club) | 154,882 |
| Total | \$5,054,882 |

FY14 Other Funds

| | FY12 Actual Revenues | FY13 Projected Revenues | FY14 Budgeted Revenues |
|-----------------------------------|-------------------------|----------------------------|---------------------------|
| Anne Frank Fund | 73,573 | 55,852 | 75,000 |
| Innovations Fund | 166,451 | 225,000 | ---- |
| Confiscated Assets Fund | 147,822 | 575,400 | 200,000 |
| Emergency 911 Fund | 2,518,968 | 2,583,466 | 2,552,210 |
| Multiple Grant Fund | 4,231,508 | 3,901,473 | 970,205 |
| Community Development Block Grant | 689,291 | 1,153,908 | 1,013,962 |
| Donations Fund | 64,273 | 3,040 | 50,000 |
| Hotel/Motel Fund | 3,695,600 | 3,772,729 | 3,588,935 |
| Capital Projects Fund | 13,224,195 | 28,490,403 | 22,179,059 |
| Impact Fee Fund | 1,223,998 | 307,050 | 250,000 |
| Stormwater Management Fund | 2,500,000 | 2,500,000 | 1,600,000 |

DISCUSSION

